

1 SENATE JOINT MEMORIAL 2

2 **44TH LEGISLATURE - STATE OF NEW MEXICO - 2ND SPECIAL SESSION, 2000**

3 INTRODUCED BY

4 Carlos R. Cisneros

5
6
7
8
9
10 A JOINT MEMORIAL

11 REQUESTING THE INTERIM REVENUE STABILIZATION AND TAX POLICY
12 COMMITTEE TO EXAMINE ALTERNATIVE METHODS OF TAXING SALES OF
13 ELECTRICITY THAT WILL PROTECT STATE AND LOCAL REVENUES AND
14 RECOMMEND LEGISLATION TO THE FIRST SESSION OF THE FORTY-FIFTH
15 LEGISLATURE.
16

17
18 WHEREAS, restructuring of the electric industry in New
19 Mexico is mandated by the Electric Utility Restructuring Act
20 of 1999, and competition will commence on January 1, 2001;
21 and

22 WHEREAS, electricity providers located outside the
23 borders of New Mexico are expected to compete with in-state
24 utilities for customers in a competitive market; and

25 WHEREAS, it is not certain whether the gross receipts
tax can be imposed on electricity sales outside the state and
whether local governments in New Mexico may apply franchise
fees and local option gross receipts taxes to those sales;

.132915.1

underscored material = new
~~[bracketed material]~~ = delete

underscored material = new
~~[bracketed material]~~ = delete

1 and

2 WHEREAS, there is additional concern about loss of state
3 and local revenues as a result of declining prices for
4 electricity; and

5 WHEREAS, other states that have adopted electric utility
6 restructuring have adopted or are examining alternative
7 approaches to protecting their revenue sources, including
8 taxation based on consumption;

9 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
10 STATE OF NEW MEXICO that it request the interim revenue
11 stabilization and tax policy committee to examine alternative
12 methods of taxing electricity sales to protect New Mexico's
13 important state and local revenue sources and to report its
14 findings and recommendations for legislation to the
15 first session of the forty-fifth legislature; and

16 BE IT FURTHER RESOLVED that copies of this memorial be
17 given to the co-chairmen of the New Mexico legislative
18 council and to the chairman and vice chairman of the revenue
19 stabilization and tax policy committee.